



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Frances Mizuno, Assistant Executive Director

DATE: March 7, 2019

RE: Restated 2019 Agreement For The Acquisition of Water By The United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District From The San Joaquin River Exchange Contractor Water Authority 2019-2023 and Its Related San Luis & Delta-Mendota Water Authority Exchange Contractors 2019-2023 Transfer Program Activity Agreement

BACKGROUND

Reclamation, the Water Authority, Madera ID, and the Exchange Contractors previously entered into Agreement Number 6-WC-20-3336 (the 5-Year Transfer Agreement) dated June 3, 2006 for the period of January 1, 2006 through and including December 31, 2010, and the First Amendment to that agreement dated November 4, 2010, whereby the 5-Year Transfer Agreement was extended for a period of three years through calendar year 2013. The same parties entered into a subsequent agreement to acquire transfer water made available by the Exchange Contractors during the calendar years 2014 through calendar year 2018. These agreements provided up to 80,000 acre-feet of supplemental water supply and allocated the water to Reclamation for Level IV refuge use, to the Water Authority for both Ag and M&I use and to Madera ID for Ag use.

The Authority also entered into an Activity Agreement for the Exchange Contractors Water Transfer Program to purchase the transfer water on behalf of the Activity Agreement Participants. With the exception of 2014 and 2015 when the Exchange Contractors did not receive their full allocation, Water Authority Activity Agreement Participants obtained supplemental water supply each year through these agreements. This agreement provides the largest block of reliable south of delta supplemental water supply for Authority members.

A new proposed Restated 2019 Agreement For The Acquisition of Water By The United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District From The San Joaquin River Exchange Contractor Water Authority 2019-2023 has been negotiated for the Board's consideration.

ISSUE FOR DECISION

Whether the Water Authority should approve a San Luis & Delta-Mendota Water Authority Exchange Contractors 2019-2023 Transfer Program Activity Agreement and execute the Restated 2019 Agreement For The Acquisition of Water By The United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District From The San Joaquin River Exchange Contractor Water Authority 2019-2023 to allow the Water Authority to purchase transfer water from the Exchange Contractors on behalf of Activity Agreement Participants.

RECOMMENDATION

We recommend the approval of the Resolution to Authorizing Execution of the Exchange Contractors 2019-2023 Transfer Program Activity Agreement (Attached) and Resolution Authorizing Execution of the Restated 2019 Agreement for the Acquisition of Water By the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District From the San Joaquin River Exchange Contractors Water Authority (Attached) with the option to enter into an agreement in substantial form without Madera ID and increasing the Water Authority's allocation by the amount allocated to Madera ID.

ANALYSIS

The proposed terms of the water acquisition agreement including pricing (Exhibit A of Transfer Agreement) and allocation (Exhibit B) were negotiated by the Authority in coordination with the Activity Agreement Participants through 2018 and just concluded this week with agreement by Reclamation on the price and allocation. Madera ID, however will not decide whether they will participate in the Agreement until mid-March. If Madera ID does not participate, the Agreement will be amended for participation only by Reclamation and the Water Authority with the Authority being allocated Madera ID's share of the water. Given this unknown, the Board is being asked to approve the Water Transfer and Activity Agreement in its substantial form with and without Madera ID's participation.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2019-XXX

**RESOLUTION AUTHORIZING EXECUTION OF THE EXCHANGE CONTRACTORS
2019-2023 TRANSFER PROGRAM ACTIVITY AGREEMENT**

WHEREAS, the U.S. Bureau of Reclamation (“Reclamation”) and the San Luis & Delta-Mendota Water Authority (“Water Authority”) jointly prepared the Final Environmental Impact Statement/Environmental Impact Reported Dated March 1, 2013 (“2013 EIS/EIR”), with the Record of Decision being adopted July 30, 2013, analyzing the environmental effects of the transfer of up to 150,000 acre-feet of water per year for refuge use, irrigation, and certain specified M&I uses within a defined geographic region for the Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority 2014-2038.

WHEREAS, based upon the analysis done in the 2013 EIS/EIR, the San Joaquin River Exchange Contractors Water Authority (“Exchange Contractors”), Reclamation, Madera Irrigation District, and the Water Authority developed the Agreement for the Acquisition of Water by the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2014-2018, Agreement No. 14-WC-20-4520 (“Exchange Contractors 2014-2018 Transfer Agreement”), providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of five (5) years, to be implemented through a program of successive one-year transfers.

WHEREAS, subsequently, the Water Authority and individual Water Authority member agencies Byron-Bethany Irrigation District, Del Puerto Water District, Eagle Field Water District, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Benito County Water District, Santa Clara Valley Water District, San Luis Water District, and Westlands Water District executed the Exchange Contractors 2014-2018 Transfer Program Activity Agreement, effective November 16, 2015, to participate in the benefits and incur the obligations of the Exchange Contractors 2014-2018 Transfer Agreement.

WHEREAS, the Exchange Contractors, Reclamation, Madera Irrigation District, and the Water Authority have developed that Certain Restated 2019 Agreement for the Acquisition of Water By the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2019-2023 (“Exchange Contractors 2019-2023 Transfer Agreement”), providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of 5 years, to be implemented through a program of successive one-year transfers.

WHEREAS, some or all of the individual Water Authority member agencies that previously entered into the Exchange Contractors 2014-2018 Activity Agreement desire to participate in the benefits and incur the obligations of the Exchange Contractors 2019-2023 Transfer Agreement.

WHEREAS, the Board has considered that certain form of the Exchange Contractors 2019-2023 Transfer Program Activity Agreement, by which certain members of the Water Authority will be organized, and, setting forth the terms and conditions that the participating members have elected to accept the benefits and obligations of the Exchange Contractors 2019-2023 Transfer Agreement.

WHEREAS, the proposed form of Exchange Contractors 2019-2023 Transfer Program Activity Agreement has been presented to the Board and is on file with the Secretary hereof.

WHEREAS, authorizing execution of the Exchange Contractors 2019-2023 Transfer Program Activity Agreement does not constitute a project under the California Environmental Quality Act because the proposed action involves continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the CEQA Guidelines) and also represents administrative activities of the Water Authority that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); further, the underlying activities contemplated in the Exchange Contractors 2019-2023 Transfer Program Activity Agreement represent the continuation of ongoing operations of existing facilities within established parameters without substantial modification (Sections 15301 and 15162 of the CEQA Guidelines); and where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA Guidelines).

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the Executive Director to execute the Exchange Contractors 2019-2023 Transfer Program Activity Agreement in substantially the form presented to the Board, subject to such additions, deletions, and other revisions as the said Executive Director shall approve prior to execution and further subject to the contingencies described in Section 3 of this Resolution.

Section 3. The Executive Director, Assistant Executive Director, or such Water Authority employee or consultant as either of such officers may designate, is further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution, subject to the budgets and approvals as set forth in the respective documents.

PASSED AND ADOPTED this 7th day of March, 2019.

Cannon Michael, Chairman

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at a regular meeting thereof held on the 7th day of March, 2019.

Federico Barajas, Secretary

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
EXCHANGE CONTRACTORS 2019-2023 TRANSFER PROGRAM
ACTIVITY AGREEMENT**

This Exchange Contractors 2019-2023 Transfer Program Activity Agreement (“**Activity Agreement**”), made effective as of March ___, 2019, by and among the San Luis & Delta-Mendota Water Authority (“**Water Authority**”), a joint powers agency of the State of California, and its members who execute this Activity Agreement (“**Members**”). Capitalized terms used in this Activity Agreement shall have the meanings set forth in Section 2 below.

1. RECITALS

A. The Members, together with certain other local agencies, have entered into an amended and restated Joint Exercise of Powers Agreement-San Luis & Delta-Mendota Water Authority dated as of January 1, 1992 (the “**JPA**” or “**JPA Agreement**”), by and among the parties indicated therein, establishing the Authority for the purpose of exercising the common powers of the Members, including those powers described in this Activity Agreement.

B. The Members are each empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution and use of water for irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water accepted into their respective systems; to transfer water and to purchase water in order to maximize the efficient, beneficial use

of the water supplies available; and to adopt rules and regulations necessary to the exercise of such powers.

C. The Members have each entered into contracts with the United States for water service from the Central Valley Project (“**CVP**”) for irrigation and/or municipal and industrial (“**M&I**”) purposes within their respective jurisdictional areas and receive water conveyed through the Delta-Mendota Canal and/or San Luis Canal.

D. In recent years, the Members have received less than the full quantities provided for in their CVP water service contracts and Reclamation has projected continuing shortages in such deliveries in the future.

E. Member agencies of the San Joaquin River Exchange Contractors Water Authority (“**Exchange Contractors**”) hold a contract for water from the United States that substitutes deliveries through the Delta-Mendota Canal for water from historical sources of surface water supplies and provides the Exchange Contractors with a highly reliable supply of water.

F. The parties recognize the importance of optimizing the use of the water supplies available from the CVP south of the Sacramento-San Joaquin River Delta and of stabilizing the quantity of water reliably available to them through transfer arrangements.

G. Together with the United States Bureau of Reclamation (“**Reclamation**”), the Exchange Contractors have prepared that certain Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority 2014-2038, Final Environmental Impact Statement/Environmental Impact Report dated January, 2013, with the Record of Decision being adopted by Reclamation on July 30, 2013 and the Environmental Impact Report being certified by the San Joaquin River Exchange Contractors Water Authority on March 1, 2013 (the “**2013 EIS/EIR**”), analyzing the environmental effects of the transfer of up to 150,000 acre-feet per year of water from the Exchange Contractors for refuge supplies; to CVP water service contractors within the Water Authority for irrigation and certain specified M&I uses; and to certain other CVP or State Water Project contractors.

H. Based upon the analysis done in the 2013 EIS/EIR, the Exchange Contractors, Reclamation, Madera Irrigation District, and the Water Authority have developed that certain Restated 2019 Agreement for the Acquisition of Water by the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2019-2023, Agreement No. _____ (“**Exchange Contractors 2019-2023 Transfer Agreement**”), providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of five (5) years, to be implemented through a program of successive one-year transfers.

I. Each of the parties to this Activity Agreement desires to participate in the benefits and is willing to incur the obligations of the Exchange Contractors 2019-2023 Transfer Agreement, through the joint exercise of their common powers under this Activity Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the true and correct facts recited above, and of the covenants, terms and conditions set forth herein, the Activity Agreement Members and the Authority agree as follows:

2. DEFINITIONS

A. “**Activity Agreement**” or “**Agreement**” shall mean this Exchange Contractors 2019-2023 Transfer Program Activity Agreement.

B. **“Activity Agreement Expenses”** shall mean all expenses directly incurred by the Water Authority in order to implement this agreement, together with a share of Water Authority Operating Costs allocable to members of this Activity Agreement.

C. **“Activity Agreement Member”** shall mean a member of the Water Authority who is signatory to this Activity Agreement. The anticipated Activity Agreement Members are listed on Exhibit “A” attached hereto; upon finalization of the Activity Agreement, Exhibit “A” shall be replaced with “Revised Exhibit “A” listing such Members without further amendment of this Activity Agreement being required.

D. **“Administration Agreements”** shall mean those certain agreements between the Water Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

E. **“Exchange Contractors”** shall mean the San Joaquin River Exchange Contractors Water Authority.

F. **“Exchange Contractors 2019-2023 Transfer Agreement”** or **“Transfer Agreement”** shall mean that certain agreement between the Exchange Contractors, Reclamation, the Water Authority, and the Madera Irrigation District, Contract No. .

G. **“Exchange Contractors 2019-2023 Transfer Program”** shall mean the Water Authority activities under this Activity Agreement to implement one-year transfers between the Water Authority and the Exchange Contractors under the Exchange Contractors 2019-2023 Transfer Agreement.

H. **“Fiscal Year”** shall mean the Water Authority’s March 1 – February 28/29 fiscal year.

I. **“Irrigation Users”** shall mean the Activity Agreement Members who commit to acquire Transfer Water for irrigation uses during the term of this Activity Agreement.

J. **“JPA”** or **“JPA Agreement”** shall mean that certain Amended and Restated Joint Exercise of Powers Agreement effective January 1, 1992, establishing the Water Authority, as it may be amended or restated over time.

K. **“M&I Users”** shall mean the Activity Agreement Members that may acquire Transfer Water for M&I use during a specific Year.

L. **“Transfer Water”** shall mean the amount of Substitute Water provided for transfer by the Exchange Contractors each Year under the Exchange Contractors 2019-2023 Transfer Agreement.

M. **“Water Authority”** shall mean the San Luis & Delta-Mendota Water Authority.

N. **“Water Authority Operating Costs”** shall mean the Water Authority rent and other occupancy charges, acquisition cost of office furniture and equipment, including telephone, telecopy, photocopy, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of creditors, lawyers, engineers and other consultants, travel, telephone, telecopy and photocopy expenses and any other general administrative expenses, a share of which will be assigned to this Activity Agreement.

O. **“Year”** shall mean a calendar year.

P. All other capitalized terms used herein and in the Exchange Contractors 2019-2023 Transfer Agreement shall have the meanings ascribed to them in the Exchange Contractors 2019-2023 Transfer Agreement.

3. **PURPOSE OF AGREEMENT.**

A. The purpose of this Activity Agreement is to allow, through the joint exercise of some or all of the common powers of the Activity Agreement Members described in the Recitals above, as appropriate, the Activity Agreement Members to participate in the Exchange Contractors 2019-2023 Transfer Program to obtain the benefits, and to share the obligations of, the Exchange Contractors 2019-2023 Transfer Agreement under the terms set forth herein.

B. The parties acknowledge and agree that the Water Authority's role in this Activity Agreement is to: 1) provide the umbrella joint powers agreement pursuant to which the parties may exercise their common powers and to provide services at the expense of the Activity Agreement Members; 2) act as agent for the Activity Agreement Members in order to negotiate and implement the Exchange Contractors 2019-2023 Transfer Agreement with Reclamation and the Exchange Contractors for and on behalf of the Activity Agreement Member; and 3) provide administrative services for implementation of the Exchange Contractors 2019-2023 Transfer Program including, but not limited to, providing notices, calculating water allocations, providing advance funding for water acquired through that agreement, and providing billing services to the Activity Agreement Members during the term hereof.

4. ORGANIZATION.

Initially, the business of this Activity Agreement shall be conducted by the Water Authority at large and therefore governed by the Board of Directors of the Authority. However, it is recognized that at some time in the future the Activity Agreement Members may wish to form a separate body specifically for the purpose of directing the business of the Activity Agreement. In that eventuality, upon the application of at least two (2) members of the Activity Agreement, the Board of Directors of the Water Authority will facilitate the formation of the organizational

structure described in Appendix “1” to this Activity Agreement, which shall then serve as the governing body as outlined in said Appendix “1.”

5. BUDGETARY RESPONSIBILITIES OF ACTIVITY AGREEMENT MEMBERS.

The Activity Agreement Members shall have the authority and the obligation in cooperation with the Executive Director, Assistant Executive Director, and the Water Authority’s Finance and Administration Committee, to provide and approve a budget for the activities authorized by this Activity Agreement, annually or more frequently as needed, for presentation to the Board of Directors of the Water Authority in accordance with Section 22 of the JPA Agreement.¹ All budgets and amendments thereof which result in a budget increase shall be subject to the approval of the Water Authority Board of Directors.

6. AUTHORIZATION TO ALLOCATE OPERATING COSTS.

A. Each Member of the Water Authority has entered into an Administration Agreement which authorizes an agreement by and among the Water Authority and any of its Members or other entities (including associate members) to provide for undertaking and sharing costs and benefits of any authorized activity of the Authority. The Water Authority and the Activity Agreement Members agree that all Activity Agreement Expenses incurred by the Water Authority under this Activity Agreement are the costs of the Activity Agreement Members, and not of the Authority, and shall be paid by the Activity Agreement Members.

B. The Activity Agreement Members further agree to pay that share of Water Authority Operating Costs allocated by the Board of Directors of the Water Authority to cover the cost to

¹The Water Authority’s budget will run, e.g., from March 1, 2019 through February 29, 2020. The Exchange Contractors 2019-2023 Transfer Agreement Year will run, e.g., from January 1 through December 31, 2019. Because all water deliveries will take place between March 1 and December 31, the financial obligations for each Year under the Transfer Agreement will fall within a single Fiscal Year.

the Water Authority of administering this Activity Agreement, as part of the Activity Agreement Expenses.

7. **PURCHASE OBLIGATION AND PROCESS FOR ALLOCATING WATER FOR M&I USERS AND FOR IRRIGATION USERS FOR EACH YEAR.**

During the term of the Exchange Contractors 2019-2023 Transfer Agreement, the Activity Agreement Members shall be obligated to purchase all water made available to the Water Authority and to Reclamation that Reclamation elects not to purchase as set forth in the Exchange Contractors 2019-2023 Transfer Agreement. The Water Authority shall allocate the Transfer Water among Irrigation Users, M&I Users, and Reclamation as set forth in this Section 7.

A. Allocation for Irrigation Users. The allocation for Irrigation Users shall be the maximum quantity designated for Irrigation on Exhibit “B” based upon the CVP South-of-Delta Contract Allocation for Irrigation for such Year, plus i) any allocation for M&I Users not accepted by M&I Users during such Year; ii) any portion of Transfer Water allocation offered by Madera Irrigation District and accepted by the Water Authority under Section 5(e) of the Exchange Contractors 2019-2023 Transfer Agreement; and iii) any portion of Reclamation’s maximum quantity for such Year, that Reclamation elects not to purchase in accordance with Section 5(c) of the Exchange Contractors 2019-2023 Transfer Agreement, as summarized in Section 7.C of this Activity Agreement. The Water Authority shall sub-allocate the quantity of Transfer Water made available for Irrigation Users among Irrigation Users based on each Irrigation User’s CVP water supply contract quantity for irrigation as of the date hereof, as agreed by the parties and set forth on Exhibit “C” attached hereto.

B. Notice and Allocation for M&I Users. Beginning in January 2020 for the 2020 Year, and thereafter on each January 15, beginning January 15, 2020, promptly upon receipt of notice from the Exchange Contractors, the Water Authority shall notify the M&I Users of the

quantity of Transfer Water, up to 5,000 AF, available for M&I use. The M&I Users must notify the Water Authority and the Exchange Contractors in writing of each Year of the quantity of Transfer Water they desire to acquire for M&I use for the forthcoming Year. The Water Authority shall notify the Exchange Contractors in writing on or before February 1 of each Year of the amount of Transfer Water for M&I Users the Water Authority wishes to purchase for that Year described in Section 4.b.i of the Exchange Contractors 2019-2023 Transfer Agreement.

1. The Water Authority shall sub-allocate Transfer Water made available by the Exchange Contractors for M&I Users in any Year as follows:

a. If the Transfer Water made available for M&I Users during a particular Year is adequate to cover the respective requests for Transfer Water of all M&I contractors participating for such Year made pursuant to Section 7.B. above, the Water Authority shall allocate the Transfer Water made available for M&I Users as follows: San Benito County Water District (SBCWD), 5% (up to 250 acre feet); San Luis Water District (SLWD), 3% (up to 150 acre feet); Santa Clara Valley Water District (SCVWD), 87% (up to 4,350 acre feet); and Westlands Water District (WWD), 5% (up to 250 acre feet), or any other allocation mutually agreed by these M&I contractors.

b. If the Transfer Water made available for M&I Users during a particular Year is inadequate to cover the combined quantities of Transfer Water requested by SBCWD, SLWD, SCVWD and WWD pursuant to Section 6.B. above, the Water Authority shall allocate to the available M&I water based on the following allocation: 5% to SBCWD, 3% to SLWD, 87% to SCVWD and 5% to WWD. If any participating M&I contractor chooses not to take its allocation, that portion of the M&I water shall be allocated to the remaining M&I

participant based on their proportional share of their M&I historic use, or upon any other allocation mutually agreed by the M&I contractors.

2. In the event Transfer Water is reduced under any applicable provision of the Exchange Contractors 2019-2023 Transfer Agreement, the allocation for M&I Users will be reduced proportionately from 5,000 acre feet and the available allocation will be sub-allocated between M&I Users as provided in Section 7.B.1.b above.

C. Reclamation's Allocation, Election Not to Purchase, and Water Authority Obligation its Allocation. Reclamation shall have the right to purchase for refuge supply purposes in each Year up to the maximum allocation for Reclamation set forth in Exhibit "B" determined in reference to the corresponding CVP South-of-Delta Contract Allocation for Irrigation for such Year, on the same terms and conditions set forth in the Exchange Contractors 2019-2023 Transfer Agreement. Under Section 5(c) of the Exchange Contractors 2019-2023 Transfer Agreement, Reclamation may elect not to purchase all or a portion of its allocation of Transfer Water during such year so long as it provides notice to each of the other Parties by March 1 of such Year. In any such Year, the allocation for the Water Authority shall be increased proportionately, and the Activity Agreement Members hereby agree to purchase such water.

D. The Water Authority will promptly calculate the respective allocations of Transfer Water for Irrigation Users, M&I Users and if applicable, Reclamation and Madera Irrigation District, pursuant to the terms of the Exchange Contractors 2019-2023 Transfer Agreement and Exhibit "B" and shall notify the Activity Agreement Members of the amount of their respective allocations for the respective Water Year.

8. PAYMENT FOR ACTIVITY AGREEMENT EXPENSES AND FOR TRANSFER WATER.

A. The Water Authority will calculate an administrative rate on a per acre-foot basis to cover projected Activity Agreement Expenses. This rate will be determined annually by estimating projected Activity Agreement Expenses and estimating projected Transfer Water delivered. This annual rate will be applied to all Transfer Water delivered within the respective Fiscal Year. Within ninety (90) days of the end of each Fiscal Year, the Water Authority will calculate adjustments in the administrative charge to take into account any differences between Activity Agreement estimated amounts and actual Activity Agreement expenditures and differences between the projected quantity of Transfer Water made available during a particular Year and actual deliveries during such Year. Immediately following such calculation of adjustments, the Water Authority will provide notice of credits or bills for additional charges to the Activity Agreement Members. Each Activity Agreement Member may elect to obtain refunds or to apply any credit balance and shall remit payment of bills for additional amounts within thirty (30) days.

B. Each Activity Agreement Member shall be bound to accept and pay for the actual costs of such Member's allocated share of Transfer Water, except that an Activity Agreement Member may be relieved of its commitments by obtaining the written agreement of any other Activity Agreement Member(s) to accept the share of Transfer Water and the obligations under this Activity Agreement of the Activity Agreement Member arranging such substitution. The Water Authority shall have no responsibility to track changes in allocations or in payment obligations resulting from substitution agreements pursuant to this Section 9.B. until it receives a copy of the writing memorializing the allocation adjustment.

C. Pursuant to Section 4(d) of the Exchange Contractors 2019-2023 Transfer Agreement, the Exchange Contractors will invoice the Water Authority for the price of Transfer

Water subsequent to the last day of each month during which the Exchange Contractors have made Transfer Water available to the Water Authority. As soon as the Water Authority receives the invoice and verifies the deliveries to the Activity Agreement Members during such period, the Water Authority shall bill the Activity Agreement Members.

1. The Activity Agreement Members shall remit upon receipt of the Water Authority's invoice, so that the Water Authority can timely pay the Exchange Contractors.

2. Each Activity Agreement Member hereby agrees to pay to the Water Authority any and all costs incurred by the Water Authority on account of such Activity Agreement Member's participation in and obligations under the Exchange Contractors 2019-2023 Transfer Agreement, including but not limited to, i) interest on late payments as provided in Section (4)(d) of that Agreement; ii) reimbursement of foregone interest on Water Authority accounts, if any; and iii) any other costs incurred by the Water Authority because of such Activity Agreement Member's late payment.

3. In addition to the price for Transfer Water payable to the Exchange Contractors, each Activity Agreement Member hereby agrees to pay to Reclamation and to the Water Authority those costs for Transfer Water described in Section 4(c) of the Exchange Contractors 2019-2023 Transfer Agreement.

4. Each Activity Agreement Member agrees to hold harmless the Water Authority, all other Activity Agreement Members, and all Water Authority Members who are not participants in the Activity Agreement from obligations incurred by the Water Authority in order to acquire the Activity Agreement Member's respective share of the water transferred from the Exchange Contractors pursuant to this Activity Agreement.

9. SOURCE OF PAYMENTS.

Each Activity Agreement Member agrees that it will, at all times, have sufficient money to meet its obligations hereunder and under the JPA Agreement. Each Activity Agreement Member hereby confirms that the Water Authority and other Activity Agreement Members are third party beneficiaries of such Activity Agreement Member's obligations under this Activity Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

10. INDEMNIFICATION OF NON-MEMBERS.

The Activity Agreement Members shall hold the Water Authority and each of its Members who is not an Activity Agreement Member, free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from this Activity Agreement. This indemnification obligation includes the obligation of the Activity Agreement Members to defend the Water Authority, and all Members of the Water Authority which are not participants in the Activity Agreement, at the sole expense of the Activity Agreement Members, in any action or proceeding brought against the Water Authority or any of its members not participating in the Activity Agreement to recover any such costs, losses, damages, claims or liabilities arising from this Activity Agreement.

11. TERM.

This Activity Agreement shall take effect on the date it is executed by the Water Authority and be retroactive to January 1, 2019 and shall remain in full force and effect through December 31, 2023, or until such earlier date as this Activity Agreement is amended, rescinded or terminated by the Water Authority and the Activity Agreement Members. In the event the Exchange Contractors Transfer Agreement does not take effect or is rescinded or terminated prior to December 31, 2023, this Activity Agreement shall likewise terminate. Provided, that this Activity Agreement may be extended without formal amendment being required in the event of any renewal

or extension of the Exchange Contractors 2019-2023 Transfer Agreement for an additional Year or Years, by attaching a new Exhibit “B” to this Activity Agreement setting forth any revised quantities or allocations among Irrigation Users, M&I Users, Reclamation, and Madera Irrigation District.

12. WITHDRAWAL FROM FURTHER PARTICIPATION.

No Activity Agreement Member shall be entitled to withdraw from participation in this Activity Agreement unless it enters into an agreement with one or more of the remaining Activity Agreement Members to accept assignment of the withdrawing Member’s share of Transfer Water and to assume the withdrawing Member’s obligation to acquire Transfer Water for the balance of the term of the Exchange Contractors 2019-2023 Transfer Agreement. As of the withdrawal date, all rights of participation in this Activity Agreement shall cease for the withdrawing member, and withdrawing member shall within thirty (30) days pay all such Activity Agreements Member's financial obligations incurred prior to such withdrawal date pursuant to the terms of this Activity Agreement.

13. ADMISSION OF NEW MEMBERS.

No additional Members or Associate Members of the Water Authority may become members of this Activity Agreement without the consent of all of the other Activity Agreement Members and of the Water Authority.

14. AMENDMENTS.

Except for an extension provision as described in Section 10, this Agreement may be only amended in writing executed by the parties hereto.

15. ASSIGNMENT; BINDING ON SUCCESSORS.

Except as otherwise provided in this Activity Agreement, the rights and duties of the Activity Agreement Member may not be assigned or delegated without the written consent of the Authority. Any attempt to assign or delegate such rights or duties in contravention of this Activity Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Water Authority then in effect. This Activity Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Water Authority and the Activity Agreement Members.

16. COUNTERPARTS.

This Activity Agreement may be executed by the Water Authority and the Activity Agreement Members in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

17. CHOICE OF LAW.

This Activity Agreement shall be governed by the laws of the State of California.

18. SEVERABILITY.

If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Activity Agreement Members and the Water Authority that the remainder of the Agreement shall not be affected thereby.

19. HEADINGS.

The titles of sections of this Activity Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Activity Agreement shall be drawn therefrom.

IN WITNESS WHEREOF, the Members and the Water Authority have executed this Activity Agreement as of the date appearing next to their respective signature lines:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Agency Name: _____

Agency Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

**EXCHANGE CONTRACTORS 2019-2023 TRANSFER PROGRAM
ACTIVITY AGREEMENT MEMBERS**

Del Puerto Water District

Eagle Field Water District

Mercy Springs Water District

Pacheco Water District

Panoche Water District

San Benito County Water District

Santa Clara Valley Water District

San Luis Water District

Westlands Water District

EXHIBIT “B”

**ALLOCATION AMONG IRRIGATION USERS, M&I USERS, AND RECLAMATION
BASED ON CVP SOUTH-OF-DELTA CONTRACT ALLOCATION FOR IRRIGATION**

SOD Ag Allocation (%)	(BOR) Proposed (AF)	SLDMWA Proposed (AF)	MID (AF)	Total (AF)
0	9,220	68,780	2,000	80,000
5	9,220	68,780	2,000	80,000
10	9,677	68,323	2,000	80,000
15	10,181	67,819	2,000	80,000
20	10,823	67,177	2,000	80,000
25	11,260	66,740	2,000	80,000
30	11,705	66,545	1,750	80,000
35	12,217	66,033	1,750	80,000
40	13,031	65,219	1,750	80,000
45	13,031	65,469	1,500	80,000
50	15,271	63,479	1,250	80,000
55	16,289	62,461	1,250	80,000
60	19,547	59,453	1,000	80,000
65	23,270	55,980	750	80,000
70	25,719	53,531	750	80,000
75	27,924	51,326	750	80,000
80	30,542	48,708	750	80,000
85	36,198	43,052	750	80,000
90	44,423	34,827	750	80,000
95	51,440	27,810	750	80,000
100	61,084	18,166	750	80,000

EXHIBIT "C"

IRRIGATION USERS' CONTRACT QUANTITY/ALLOCATION PERCENT

Participants	Contract Quantity (AF)	Allocation Percentage (%)
Del Puerto WD	140,210	8.55%
Eagle Field WD	4,550	0.28%
Pacheco WD	10,080	0.61%
Panoche WD	94,000	5.73%
Mercy Springs WD	2,842	0.17%
San Benito County WD	35,550	2.17%
Santa Clara Valley WD	33,100	2.02%
San Luis WD	124,080	7.57%
Westlands WD	1,195,383	72.90%
Total	1,639,795	100.00%

APPENDIX 1

Organization:

a. Governing Body. The business of the Activity Agreement shall be conducted by a Steering Committee consisting of one member appointed by each Activity Agreement Member. Members of the Steering Committee shall be appointed by action of the governing body of the respective Activity Agreement Members, and shall be effective upon the appointment date as communicated in writing to the Authority. Each member shall serve on the Steering Committee from the date of appointment by the governing body of the Activity Agreement Member he/she represents at the pleasure of such governing body. The governing body of each Activity Agreement Member may also appoint an Alternate Member, in the same manner as Steering Committee Members are appointed, to serve at the pleasure of such governing body. In addition, the Executive Director and the Assistant Executive Director of the Water Authority shall serve as ex-officio members of the Steering Committee.

b. Meetings. The Chairman of the Steering Committee or, a majority of a quorum of the members of the Steering Committee, are authorized to call meetings of the Steering Committee as necessary and appropriate to conduct the business of the Activity Agreement. All such meetings shall be open to the public and subject to notice and location requirements as set forth in the Ralph M. Brown Act (Government Code §§ 54950 et seq.).

c. Quorum and Voting. A majority of the then-appointed Steering Committee Members plus any Alternate Members attending in the absence of their respective Steering Committee Members shall constitute a quorum of the Steering Committee. Each Steering Committee Member shall have one (1) vote. In the absence of a Steering Committee Member,

the duly appointed Alternate Steering Committee Member may cast the vote of the respective Activity Agreement Member. All actions of the Steering Committee must be taken by a two-thirds vote of a quorum formed of Steering Committee Members and Alternate Members acting in place of absent Steering Committee Members. The Executive Director, Assistant Executive Director and other employees of the Water Authority shall not be entitled to vote.

d. Officers. The Steering Committee shall select from its members a Chairman who shall act as presiding officer. There also shall be selected from the Steering Committee membership a Vice-Chairman and a Secretary, who may, but need not be, a member of the Steering Committee. All elected officers shall remain in office at the pleasure of a majority vote of the Steering Committee.

e. Powers and Limitations Thereon. Subject to the direction of the governing bodies of the Activity Agreement Members and of the Authority, the Executive Director shall undertake all actions necessary for carrying out the Activity Agreement, including but not limited to making budget recommendations; facilitating coordination of information as to the quantity of water available and the transferred water purchase obligation of Activity Agreement Members during each year of the term of this Agreement; setting the timing required for payments of obligations hereunder; employing consultants and otherwise authorizing expenditure of Activity Agreement funds within the parameters of the budget approved by the Authority; developing and implementing guidelines, rules or regulations; and such other actions as shall be reasonably necessary or convenient to the purposes of the Activity Agreement.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2019-XXX

**RESOLUTION AUTHORIZING EXECUTION OF THE EXCHANGE CONTRACTORS
2019-2023 TRANSFER AGREEMENT**

WHEREAS, the U.S. Bureau of Reclamation (“Reclamation”) and the San Luis & Delta-Mendota Water Authority (“Water Authority”) jointly prepared the Final Environmental Impact Statement/Environmental Impact Report dated March 1, 2013 (“2013 EIS/EIR”), with the Record of Decision being adopted July 30, 2013, analyzing the environmental effects of the transfer of up to 150,000 acre-feet of water per year for refuge use, irrigation, and certain specified M&I uses within a defined geographic region for the Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority 2014-2038.

WHEREAS, based upon the analysis done in the 2013 EIS/EIR, the San Joaquin River Exchange Contractors Water Authority (“Exchange Contractors”), Reclamation, Madera Irrigation District, and the Water Authority developed the Agreement for the Acquisition of Water by the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2014-2018, Agreement No. 14-WC-20-4520 (“Exchange Contractors 2014-2018 Transfer Agreement”), providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of five (5) years, to be implemented through a program of successive one-year transfers.

WHEREAS, subsequently, the Water Authority and individual Water Authority member agencies Byron-Bethany Irrigation District, Del Puerto Water District, Eagle Field Water District, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Benito County Water District, Santa Clara Valley Water District, San Luis Water District, and Westlands Water District executed the Exchange Contractors 2014-2018 Transfer Program Activity Agreement, effective November 16, 2015, to participate in the benefits and incur the obligations of the Exchange Contractors 2014-2018 Transfer Agreement.

WHEREAS, the Exchange Contractors, Reclamation, Madera Irrigation District, and the Water Authority have developed that Certain Restated 2019 Agreement for the Acquisition of Water By the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority 2019-2023 (“Exchange Contractors 2019-2023 Transfer Agreement”), providing the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and by Madera Irrigation District and the Water Authority for irrigation and M&I uses, of up to 80,000 acre feet per year of water for a period of 5 years, to be implemented through a program of successive one-year transfers.

WHEREAS, some or all of the individual Water Authority member agencies that previously entered into the Exchange Contractors 2014-2018 Activity Agreement desire to participate in the benefits and incur the obligations of the Exchange Contractors 2019-2023 Transfer Agreement.

WHEREAS, the Board has considered that certain form of the Restated 2019 Agreement for the Acquisition of Water by the United States, San Luis & Delta-Mendota Water Authority, and Madera Irrigation District from the San Joaquin River Exchange Contractors Water Authority - 2019-2023 (“Exchange Contractors 2019-2023 Transfer Agreement”), a copy of which has been presented to the Board and is on file with the Secretary hereof.

WHEREAS, authorizing execution of the Exchange Contractors 2019-2023 Transfer Agreement does not constitute a project under the California Environmental Quality Act because the proposed action involves continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the CEQA Guidelines) and also represents administrative activities of the Water Authority that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); further, the underlying activities contemplated in the Exchange Contractors 2019-2023 Transfer Agreement represent the continuation of ongoing operations of existing facilities within established parameters without substantial modification (Sections 15301 and 15162 of the CEQA Guidelines); and where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA Guidelines).

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the Executive Director to execute the Exchange Contractors 2019-2023 Transfer Agreement in substantially the form presented to the Board, subject to such additions, deletions, and other revisions, including the possible removal of Madera Irrigation District as a party, as the said Executive Director shall approve prior to execution.

Section 3. The Executive Director, Assistant Executive Director, or such Water Authority employee or consultant as either of such officers may designate, is further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution and implementation of Water Authority responsibilities under the Exchange Contractors 2019-2023 Transfer Agreement.

PASSED AND ADOPTED this 7th day of March, 2019.

Cannon Michael, Chairman

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at a regular meeting thereof held on the 7th day of March, 2019.

Federico Barajas, Secretary

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

RESTATED 2019 AGREEMENT FOR THE ACQUISITION OF WATER
BY THE UNITED STATES,
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY,
AND MADERA IRRIGATION DISTRICT FROM THE
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY
2019-2023

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

PREAMBLE 2

RECITALS 2

DEFINITIONS..... 4

TERM 7

WATER MADE AVAILABLE AND PURCHASED 7

WATER PRICE AND PAYMENT TERMS..... 11

ALLOCATION OF WATER 15

ANNUAL TRANSFER APPROVAL 18

POINTS OF DELIVERY; RESPONSIBILITY BEYOND POINTS OF DELIVERY 19

USE OF TRANSFER WATER 20

COMPLIANCE WITH LAWS AND REGULATIONS 20

FORCE MAJEURE 20

WATER RIGHTS AND PROTECTION 21

LIABILITY AND HOLD HARMLESS..... 22

WAIVER..... 23

ASSIGNMENT – SUCCESSOR AND ASSIGNS OBLIGATED 24

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS 24

OFFICIALS NOT TO BENEFIT 25

34 NOTICES..... 25

35 PREAMBLE

36

37 THIS RESTATED 2019 AGREEMENT FOR THE ACQUISITION OF WATER BY

38 THE UNITED STATES, SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, AND

39 MADERA IRRIGATION DISTRICT FROM THE SAN JOAQUIN RIVER EXCHANGE

40 CONTRACTORS WATER AUTHORITY from 2019-2023 is made this ____ day of _____,

41 2019, pursuant to sections 3406(b)(3) and 3406(d)(2) of Title XXXIV of the Act of October 30,

42 1992 (106 Stat. 4706) Central Valley Project Improvement Act (CVPIA), among the UNITED

43 STATES OF AMERICA, acting by and through the Bureau of Reclamation (Reclamation), the

44 SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY (Exchange

45 Contractors) on behalf of the San Luis Canal Company, the Central California Irrigation District,

46 the Columbia Canal Company, and the Firebaugh Canal Water District, collectively referred to

47 as the Exchange Contractors; the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

48 (Water Authority), acting for and on behalf of its participating member agencies each of whom

49 holds a contract with the United States for water service from the Central Valley Project; and the

50 MADERA IRRIGATION DISTRICT (Madera ID).

51

52 RECITALS

53 WHEREAS, Reclamation and the Exchange Contractors have jointly prepared the Final

54 Environmental Impact Statement/Environmental Impact Report Dated March 1, 2013, with the

55 Record of Decision being adopted July 30, 2013, analyzing the environmental effects of the

56 transfer of water for refuge use, irrigation and certain specified M&I uses within a defined

57 geographic region for the Water Transfer Program for the San Joaquin River Exchange
58 Contractors Water Authority 2014-2038; and

59 WHEREAS, there is no significant new or additional potential environmental effects
60 from the extension of the Water Transfer Program for an additional period during the calendar
61 years 2019 through calendar year 2023 upon the terms of this Restated Agreement; and

62 WHEREAS, Reclamation, the Exchange Contractors, the Water Authority and Madera
63 ID previously entered into Agreement Number 6-WC-20-3336 (the 5-Year Transfer Agreement)
64 dated June 3, 2006 for the period of January 1, 2006 through and including December 31, 2010,
65 and the First Amendment to that agreement dated November 4, 2010, whereby the 5-Year
66 Transfer Agreement was extended and amended to supply Transfer Water to Reclamation,
67 Madera ID and the Water Authority; and

68 WHEREAS, Reclamation, the Exchange Contractors, the Water Authority and Madera
69 ID extended the term of the 5-Year Transfer Agreement for a period of three years, through
70 calendar year 2013, and amended certain provisions thereof by the First Amendment; and

71 WHEREAS, thereafter, Reclamation, the Water Authority on behalf of its participating
72 member agencies, and Madera ID entered into an agreement to acquire transfer water made
73 available by the Exchange Contractors during the calendar years 2014 through calendar year
74 2018.

75 WHEREAS, Reclamation, the Water Authority on behalf of its participating member
76 agencies, and Madera ID are willing to enter into this Restated Agreement and acquire the
77 Transfer Water made available by the Exchange Contractors during calendar years 2019 through

78 calendar year 2023 subject to the conditions specified in Reclamation’s annual transfer approvals
79 and the other terms and conditions set forth in this Agreement.

80 NOW THEREFORE, in consideration of the mutual and dependent covenants
81 herein contained, it is hereby mutually agreed by the parties hereto as follows:

82

83 DEFINITIONS

84 1. When used herein unless otherwise distinctly expressed, or manifestly
85 incompatible with the intent hereof, the term:

86 (a) “Agreement” shall mean this Restated 2019 Agreement For The
87 Acquisition Of Water By The United States, San Luis & Delta-Mendota Water Authority, And
88 Madera Irrigation District From The San Joaquin River Exchange Contractors Water Authority
89 for the period of the calendar years from 2019 through 2023.

90 (b) “CVP” or “Project” shall mean the Central Valley Project as those terms
91 are defined in Section 3403(d) of the CVPIA.

92 (c) “CVP SoD Contract Allocation” shall mean the supply of CVP water
93 made available to the CVP water service contractors in the Delta and San Felipe Divisions and
94 the San Luis Unit for agricultural use during the March 1 - February 28/29 CVP contract water
95 year in accordance with the terms of their contracts with Reclamation.

96 (d) “CVPIA” shall mean the Central Valley Project Improvement Act, Title
97 XXXIV of the Act of October 30, 1992 (106 Stat. 4706).

98 (e) “Exchange Contract” shall mean the Second Amended Contract for
99 Exchange of Waters entered into between Central California Irrigation District, San Luis Canal
100 Company, Firebaugh Canal Water Company and Columbia Canal Company and Reclamation on
101 or about February 14, 1968.

102 (f) “Jones Pumping Plant” shall mean the federal pumping plant used to
103 pump water from the Sacramento San Joaquin Delta into CVP facilities south of said Delta.

104 (g) “Level 4 Refuge Water Needs” shall mean, pursuant to Section 3406(d)(2)
105 of the CVPIA, the water needs identified in the “Dependable Water Supply Needs” table for
106 those habitat areas set forth in the Refuge Water Supply Report.

107 (h) “M&I Users” shall mean Water Authority Participating Members, San
108 Luis Water District, Santa Clara Valley Water District and Westlands Water District acquiring
109 Transfer Water for M&I use during a particular Year.

110 (i) “Operations Plan” shall mean that certain document attached hereto as
111 Appendix 1, describing the principles and procedures for establishing the anticipated quantities
112 of water to be delivered in each month and each Year; establishing mechanisms for scheduling
113 the water and making adjustments to schedules; establishing the Points of Delivery; and
114 establishing and adjusting other operational details required to implement this Agreement. The
115 parties may amend the Operations Plan from time to time by unanimous written agreement by
116 attaching to this Agreement a revised written Operations Plan marked and signed by all parties
117 and stating on its face that it is intended to be an “Operations Plan” under this provision to show
118 the effective date, without any formal amendment of this Agreement being required. In the

119 event of any inconsistencies between the terms of the Operations Plan and of this Agreement, the
120 terms of this Agreement shall prevail.

121 (j) “Point of Delivery” or “Points of Delivery” shall mean for the Water
122 Authority, Reclamation and Madera ID, such respective points as each shall designate with the
123 approval of Reclamation in Mendota Pool, in the Delta-Mendota Canal upstream of Mendota
124 Pool, or in San Luis Reservoir.

125 (k) “Refuge Water Supply Report” shall mean the report issued by the Mid-
126 Pacific Region of the Bureau of Reclamation of the U.S. Department of the Interior entitled
127 Report on Refuge Water Supply Investigations, Central Valley Hydrology Basin, California
128 (March 1989).

129 (l) “Secretary” or “Contracting Officer” shall mean the Secretary of the
130 United States Department of the Interior or a duly authorized representative.

131 (m) “Substitute Water” shall have the meaning set forth in the Exchange
132 Contract.

133 (n) “Transfer Participants” shall mean Reclamation, the Water Authority, and
134 Madera ID.

135 (o) “Transfer Water” shall mean the amount of Substitute Water provided for
136 transfer to the Transfer Participants by the Exchange Contractors each Year pursuant to the terms
137 of this Agreement through actions taken by the Exchange Contractors in accordance with the San
138 Joaquin River Exchange Contractors Water Authority’s Water Transfer Program Final 2014-

139 2038 EIR/EIS dated July 2013 to develop water for transfer, consisting only of tailwater
140 recaptured and water made available through other conservation measures.

141 (p) “Refuge Water Supply Program” shall mean the program established by
142 the United States to acquire and deliver water supplies pursuant to Section 3406(b)(3) and
143 3406(d)(2) of the CVPIA.

144 (q) “Water Authority’s Participating Members” shall mean Water Authority
145 Members that are participating in the San Luis & Delta-Mendota Water Authority Exchange
146 Contractors 2019 – 2023 Transfer Program Activity Agreement from time to time, currently
147 Del Puerto Water District; Eagle Field Water District, Mercy Springs Water District, Pacheco
148 Water District; Panoche Water District; San Benito County Water District; San Luis Water
149 District; Santa Clara Valley Water District; and Westlands Water District.

150 (r) “Year shall mean the applicable calendar year”.

151

152

TERM

153 2. This Agreement shall be effective on the date first herein above written and shall
154 remain in effect through December 31, 2023; provided, that the Exchange Contractors may elect
155 in writing to earlier terminate the Agreement as provided in Article 11(c).

156

157

WATER MADE AVAILABLE AND PURCHASED

158 3. (a) Subject to the terms of this Agreement, the Exchange Contractors shall
159 make available to the Transfer Participants for purchase in non-Critical water years, as described

160 in Article 6 of the Exchange Contract, a minimum of 20,000 acre feet (AF) and a maximum of
161 up to 80,000 AF of Substitute Water, but including the 5,000 AF described herein for M&I Users
162 for M&I use, annually as Transfer Water for irrigation, refuge and M&I uses as described in
163 Article 5. Each Year of this Agreement, the Transfer Participants shall purchase for their use
164 the amount of Transfer Water made available by the Exchange Contractors subject to the terms
165 of this Agreement.

166 (b) The Exchange Contractors will notify the Transfer Participants by
167 February 15th of each Year of the quantity of Transfer Water to be made available during the
168 period of March 1 and December 31 of that Year. If the announcement of the Exchange
169 Contractor's allocation of Substitute Water is delayed or conditioned by Reclamation, the
170 notification to the Transfer Participants shall be made within fifteen (15) days of the
171 announcement by Reclamation pursuant to Article 7 of the Exchange Contract.

172 (c) The Transfer Water shall be scheduled and delivered during the period
173 between March 1 and December 31 of each Year, subject to the requirements and limitations
174 specified in Articles 3(e) through 3(h), 5, and 6 of this Agreement and the terms set forth in the
175 Operations Plan; said delivery period may be expanded by Transfer Participants rescheduling
176 Transfer Water into the following Year with the approval of Reclamation.

177 (d) The Exchange Contractors shall not be obligated to provide any amount of
178 Transfer Water during any Year in which delivery of Substitute Water to the Exchange
179 Contractors is reduced under the terms of the Exchange Contract, or during any period in which
180 an unforeseen or highly unusual circumstance or condition exists that reduces delivery capacity

181 of Substitute Water to the Exchange Contractors, or in the instance that any other provision of
182 this Agreement provides for interruption or termination of the delivery of Transfer Water.

183 (e) In the event the Exchange Contractors determine that the full quantity of
184 80,000 AF of Transfer Water will not be made available in any Year during the term of this
185 Agreement, the Exchange Contractors shall not transfer any water outside of the boundaries of
186 the Exchange Contractors during such Year other than the quantities of Transfer Water they
187 make available pursuant to the terms of this Agreement and the quantities made available
188 pursuant to the exceptions described in Article 3(f) below.

189 (f) In the event the Exchange Contractors determine that the full quantity of
190 80,000 AF of Transfer Water will not be made available in any Year, they may nonetheless
191 transfer Substitute Water that is made available for transfer to other persons or parties as follows:

192 (a) through fallowing of lands within the Exchange Contractors service area, including but not
193 limited to, fallowing of lands by landowners within the Exchange Contractors service area for
194 transfer to the same or related landowners under Section 3405(a) of the CVPIA; (b) through any
195 program or plan to reduce or mitigate for saline drainage flows or discharges to the San Joaquin
196 River; (c) pursuant to any successor agreement similar to the San Joaquin River Agreement
197 (Vernalis Adaptive Management Plan) providing for fishery or water quality enhancement
198 through the purchase of water; (d) by commingling and direct delivery of groundwater to lands
199 adjacent to Exchange Contractors lands; (e) from Central California Irrigation District to the City
200 of Dos Palos pursuant to existing agreements or extensions of those agreements; (f) from Central
201 California Irrigation District and Firebaugh Canal Water District to Panoche Water District

202 pursuant to existing agreements or extensions of those agreements; (g) transfers by San Luis
203 Canal Company in cooperation with Eastside Canal Irrigation District and/or other Merced
204 County water serving entities; (h) for service of water to lands in proximity to the Exchange
205 Contractors' Members' facilities or service area which water service may protect Exchange
206 Contractors' service area lands or facilities from damage through reducing groundwater use by
207 those lands receiving the Transfer Water, or which water service may be in accordance with the
208 Exchange Contractors Groundwater Sustainability Agency's Groundwater Sustainability Plan;
209 and additionally, (i) the Exchange Contractors may provide Substitute Water in compliance with
210 the terms of an involuntary administrative or Court Order requiring the water to be made
211 available for use outside of the Service Area established under the Exchange Contract; water
212 transferred pursuant to the exclusions described in this Article 3(f) shall be limited only by the
213 Exchange Contractors obligation to perform this Agreement in good faith.

214 (g) Neither Substitute Water proposed to be transferred by the Exchange
215 Contractors in excess of 80,000 AF in any Year nor Substitute Water transferred pursuant to the
216 exclusions described in Article 3(f) above shall be subject to a First Right or First Offer of the
217 parties to this Agreement to acquire these amounts of water or any other limitation upon transfer.

218 (h) In the event that on or before February 15 of any Year, Reclamation has
219 declared that the Year is a critical calendar year under Article 4 and/or Article 7 of the Exchange
220 Contract, and at any time prior to July 1 of such Year that declaration is changed to a non-critical
221 calendar year, within 30 days after the change in the declaration the Exchange Contractors shall
222 notify the Transfer Participants of the quantity of Water the Exchange Contractors elect to make

223 available pursuant to this Agreement during that Year, if any. The Transfer Participants shall be
224 obligated to purchase their allocations of the Transfer Water (except as provided in Article 5c)
225 the Exchange Contractors elect to make available at the prices determined under this Agreement,
226 and shall schedule the delivery of such water under the Attachment 1 “Operations Plan.”

227 (i) In the event that on or before February 15 of any Year, Reclamation
228 declares that the Year is a non-critical calendar year under Article 4 and/or Article 7 of the
229 Exchange Contract and that declaration is subsequently changed to a critical calendar year, the
230 Transfer Participants shall purchase any amounts of Transfer Water made available prior to such
231 declaration change in accordance with this Agreement, but the Exchange Contractors shall have
232 no further obligation to make available Transfer Water during that Year.

233

234 WATER PRICE AND PAYMENT TERMS

235 4. The Transfer Participants shall pay the Exchange Contractors for all Transfer
236 Water as set forth in this Article.

237 (a) The price for Transfer Water is based upon the CVP SoD Contract
238 Allocation for “Ag,” announced by Reclamation on or about June 15 for each Year at the rates
239 set forth in Exhibit A for different allocation levels. Exhibit A pricing shall be applied for each
240 month Transfer Water is made available under this Agreement for that Year, applicable
241 retroactively to any Transfer Water made available before the June announcement and
242 prospectively for Transfer Water made available during the balance of the Year, even if
243 Reclamation adjusts the SoD Contract Allocation subsequent to the June announcement upward

244 or downward. The price shown in Exhibit A includes an increase of three percent (3%) on
245 January 1st of each Year commencing January 1, 2020, during the term of this Agreement for
246 both the Agricultural and Refuge Price Schedule and the M&I Price Schedule. The percentage
247 increase shall be applied to the prices specified effective in the prior calendar year.

248 (b) The timing and process for M&I Users shall be as set forth in this
249 subdivision.

250 (i) The Water Authority shall notify the Exchange Contractors in
251 writing on or before February 1 (the “Option Date”) each Year of the amount of Transfer Water
252 for M&I Users the Water Authority wishes to purchase for such Year and shall concurrently
253 tender to the Exchange Contractors a non-refundable payment of Forty Dollars (\$40) per acre
254 foot (the “Option Payment”) for such Transfer Water.

255 (ii) On or before March 1, or, if the announcement of Reclamation to
256 the Exchange Contractors pursuant to Article 7 of the Exchange Contract is delayed, the date that
257 is fifteen (15) days following Reclamation’s announcement (the applicable date being the “Call
258 Date”), the Water Authority shall provide the Exchange Contractors with further written notice
259 of the final quantity of Transfer Water for M&I Users the Water Authority wishes to purchase
260 for such Year.

261 (iii) In the event the total quantity of water for M&I Users the Water
262 Authority requested as of the Option Date exceeds the amount of water for M&I Users the Water
263 Authority requests on the Call Date, the balance of such Transfer Water shall be offered a) for
264 agricultural uses to the Water Authority and Madera ID; and b) for refuge uses to Reclamation at

265 the price for such water set forth in Exhibit A, subject to the allocation provisions of Article 5 of
266 this Agreement. Provided, that in the event Reclamation or Madera ID does not desire to
267 purchase its allocated share of the balance of Transfer Water for M&I Users requested on the
268 Option Date but not taken on the Call Date, the Water Authority shall be obligated to purchase
269 such Transfer Water for its agricultural users.

270 (iv) Any Option Payment will be applied toward the total purchase
271 price of the quantity of Transfer Water for M&I Users as of the Call Date for such Year.
272 However, the Exchange Contractors shall be entitled to retain the Option Payment for the
273 amount of Transfer Water, if any, reserved for M&I Users on the Option Date but not requested
274 by those M&I Users on the Call Date for such Year.

275 (v) Notwithstanding the characterization of the Option Payment as
276 “non-refundable” in this Article 4, if for any reason the Transfer Water for M&I Users is not
277 made available or the quantity of Transfer Water during a Year allocated to M&I Users pursuant
278 to Exhibit B is not available under Article 5(d), the Exchange Contractors shall reimburse to the
279 Water Authority the Option Payment for such quantity of Transfer Water.

280 (b) In addition to paying the Transfer Water prices to the Exchange
281 Contractors, (i) since the Exchange Contractors do not have a payment responsibility for their
282 Substitute Water, the Water Authority shall confirm that its Participating Members pay, and
283 Madera ID shall pay directly to Reclamation the applicable water rate(s) for any additional
284 facility services required to effectuate the transfer. Such payment shall be made to Reclamation
285 prior to any Transfer Water being delivered. To the extent practicable, such payment shall be

286 made two months in advance of delivery. The first payment shall be due upon approval of the
287 scheduled delivery of the water as referenced in Article 6 of this Agreement or in the month of
288 March, if applicable, and subsequent payments being due each month thereafter as applicable.
289 The additional facility services are identified in the then existing “Final Policy on Water Rates
290 for Water Transfers from One Central Valley Project (CVP) Contractor to Another CVP
291 Contractor” as may be amended by Reclamation; and (ii) Reclamation, Madera ID and the Water
292 Authority’s Participating Members shall pay operation and maintenance, and conveyance
293 pumping charges directly to the Water Authority for any conveyance and conveyance pumping
294 facilities used to deliver the water; and (iii) the Exchange Contractors shall pay directly to
295 Reclamation the administrative costs incurred by Reclamation to process the transfer
296 applications referred to in Article 6 of this Agreement. Payment of the administrative cost is to
297 be made at the time the transfer application referred to in Article 6 is submitted to Reclamation.

298 (d) The Exchange Contractors shall submit appropriate invoices to
299 Reclamation, the Water Authority and Madera ID, subsequent to the last day of each month
300 during which the Exchange Contractors have made available Transfer Water to such party.
301 Payment for all Transfer Water during such month shall be paid to the Exchange Contractors
302 within 30 days upon verification of the quantity of Transfer Water made available and receipt of
303 such invoice. Reclamation’s payments shall be subject to the Prompt Payment Act. For the
304 Water Authority and Madera ID, interest shall accrue at the rate of 7% per annum on any balance
305 that is not paid within thirty (30) days of the invoice date.

306 (e) Invoices to Reclamation shall include the following information for
307 verification and payment processing purposes: (i) the method of measurement and quantity of
308 Transfer Water made available to Reclamation at each Point of Delivery during the preceding
309 month; (ii) the Point(s) of Delivery and total quantity of Substitute Water diverted by and for the
310 Exchange Contractors during the preceding month pursuant to the Exchange Contract; (iii) the
311 Exchange Contractors' Taxpayer Identification Number; (iv) the Agreement Number; and (v) the
312 Remittance Address and Point of Contact.

313 (f) Invoices to the Water Authority and Madera ID shall include the
314 information set forth in this Article 4 and any mutually agreed-upon additional information.

315 (g) If payment for the Transfer Water is not made within 30 days as required
316 by this Article 4, the Exchange Contractors may take the actions set forth below:

317 (i) The Exchange Contractors may immediately stop making Transfer
318 Water available to the non-paying party and shall provide notice to such party that the
319 Agreement will terminate as to the non-paying party if the party does not pay all outstanding
320 invoices in full within an additional 30 days.

321 (ii) In the event a non-paying party other than the Water Authority
322 fails to cure an event of non-payment in accordance with subdivision (i) of this Article 4(g), the
323 Exchange Contractors shall provide notice to the Water Authority, and the Water Authority shall
324 purchase the Transfer Water that the Exchange Contractors make available, but have not yet
325 delivered, to the non-paying party.

326 (iii) Notwithstanding the above, nothing in subdivisions (i) or (ii) of
327 this Article 4(g) obligates any party to pay the Exchange Contractors for non-payment for
328 Transfer Water made available by the Exchange Contractors to another party, and the Exchange
329 Contractors shall retain all remedies available at law to collect such delinquent payment from the
330 non-paying party.

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ALLOCATION OF WATER

333 5. The Transfer Water shall be allocated among the Transfer Participants as
334 provided in this Article.

335 (a) The Transfer Water will be allocated to Reclamation for refuge use, the
336 Water Authority for irrigation and M&I use, and Madera ID for irrigation use for each Year
337 according to Exhibit B attached hereto and included herein as if set forth in full.

338 (b) In any Year in which the Exchange Contractors provide less than 80,000
339 AF of Transfer Water, the Transfer Water allocation to Reclamation, the Water Authority, and
340 Madera ID shall be prorated based upon Exhibit B. Such reduced allocations shall be adjusted
341 for Transfer Water designated for M&I Users as provided in Article 5(d) by proportionately
342 reducing the quantities of water allocated under Exhibit B to each of Reclamation, Water
343 Authority and Madera ID.

344 (c) Subject only to Federal appropriations, Reclamation may be unable in any
345 Year, to purchase all or a portion of any Transfer Water during such Year. In such case,
346 Reclamation shall provide notice to each of the other Parties that it cannot purchase a specified

347 quantity of water by March 1 of such Year. Upon such notice, Reclamation shall not have any
348 further obligation under this Agreement for payment for such Transfer Water relinquished by
349 Reclamation. In any Year in which Reclamation cannot purchase all or part of its Transfer
350 Water allocation the allocation for the Water Authority shall be increased proportionately, and
351 the Water Authority agrees to purchase such water at the rates set forth in Exhibit A, and
352 Paragraph 4(a).

353 (d) M&I Users may acquire up to the first 5,000 AF of Transfer Water.

354 (e) In any Year in which the Water Authority, or Madera ID do not need their
355 full Transfer Water allocation for their respective M&I or irrigation use, they shall offer such
356 portion of its Transfer Water allocation to the other two parties. If accepted by both of those
357 other transferee parties, the allocation for both shall be increased on a prorated basis. If only
358 one of the other parties accepts the additional allocation, that party shall receive the entire
359 additional allocation. A party agreeing to accept additional allocation shall pay the Exchange
360 Contractors for such additional allocation as provided by this Agreement. Except as provided
361 for Reclamation in Section 5(c) of this Agreement, no party shall be relieved of its obligation to
362 purchase its entire allocation unless another party agrees to purchase and pay for that allocation.

363 (f) The Water Authority agrees to calculate the allocation of Transfer Water
364 for each of the Transfer Participants, for such Year and to promptly circulate such allocation to
365 the parties. The Water Authority shall circulate updated calculations at least monthly through
366 July 1st of each Year to show any adjustments in allocation or price caused by (i) changes in the
367 availability of Transfer Water pursuant to Articles 3(g) and 3(h); (ii) changes in the SoD

368 Contract Allocation through June 15 pursuant to Article 4(a); (iii) Reclamation's election not to
369 purchase all or a portion of its Transfer Water; and/or (iv) by a non-paying party's failure to cure
370 an event of non-payment under Article 4(g). The parties shall cooperate to develop and adjust a
371 monthly delivery schedule pursuant to the Operations Plan that will reflect the allocations of
372 Transfer Water and any changes therein. In the event any party identifies an error or disputes
373 the calculated allocations of Transfer Water, the parties shall meet and confer within 5 days to
374 reconcile any such error or dispute. The Water Authority shall not be liable to any party for
375 performing the service of calculating the Transfer Water allocations.

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ANNUAL TRANSFER APPROVAL

378 6. Simultaneously with the notice given pursuant to Paragraph 3(b) of the quantity
379 of Transfer Water to be made available to the Transfer Participants, the Exchange Contractors
380 shall submit to Reclamation in writing the proposed quantity and schedule of Transfer Water to
381 be made available between March 1st and December 31st of that Year. Reclamation shall
382 promptly review and approve such transfer within 15 days of receipt in writing upon its
383 determination that the transfer is consistent with Section 3405(a) of the CVPIA and
384 Reclamation's Interim Guidelines for Implementation of Transfers Pursuant to Title XXXIV of
385 the Act of October 30, 1992 (106 Stat. 4706), as may be revised and/or amended, which said
386 determination and approval shall be given no later than March 1 of such Year. Provided that,
387 the Water Authority submits to Reclamation, the calculated allocation schedule that reflects the
388 monthly quantities and water classifications for each of the Transfer Participants, for such Year.

389 Upon such approval, Transfer Water may be delivered for irrigation, M&I, or refuge purposes in
390 accordance with the provisions of this Agreement.

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POINTS OF DELIVERY;

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RESPONSIBILITY BEYOND POINTS OF DELIVERY

394 7. (a) The Exchange Contractors shall make available Transfer Water to the
395 Water Authority, Reclamation and to Madera ID at their respective Points of Delivery.

396 (b) Reclamation, the Water Authority, and Madera ID shall be responsible to
397 provide and pay for all arrangements for the conveyance and conveyance pumping required to
398 wheel the Transfer Water purchased beyond the Points of Delivery identified in Article 7(a) and
399 shall be obligated to pay for all Transfer Water made available for delivery by the Exchange
400 Contractors at the Point or Points of Delivery identified pursuant to this Article and in
401 accordance with the scheduling procedures set forth in the Operations Plan, whether or not the
402 transferee party is able to make such arrangements for the conveyance and conveyance pumping
403 required to wheel the Transfer Water beyond such Points of Delivery.

404 (c) The Exchange Contractors shall not be responsible for the control,
405 carriage, handling, use, disposal, or distribution of Transfer Water to the Transfer Participants
406 pursuant to this Agreement beyond the Point or Points of Delivery for each established pursuant
407 to Article 7(a) of this Agreement. The Transfer Participants hereby assume responsibility for all
408 claims, demands or actions arising from their respective actions to convey and deliver Transfer

409 Water from their respective Points of Delivery identified in this Article 7 or under the Operations
410 Plan.

411

412 USE OF TRANSFER WATER

413 8. The following constraints are applicable to the use of Transfer Water by the
414 Transfer Participants.

415 (a) No Transfer Water is to be delivered either directly or indirectly to lands
416 which are within the “Initial Drainage Study Area” described on Appendix 2 to this Agreement,
417 unless approved by the Exchange Contractors.

418 (b) Transfer Water provided under this Agreement is for the use of the
419 Transfer Participants within their respective service areas. Transfer Water shall not be
420 transferred, banked or assigned from one party to any other party on price terms higher than
421 those specified in this Agreement without the prior written consent of the Exchange Contractors.
422 Transfer Water shall not be transferred, banked or assigned to any third party at any price terms
423 without the prior written consent of the Exchange Contractors. Any Transfer Water to be
424 transferred to any third party shall be offered to the other parties to this agreement for the
425 exercise by those other parties of their first right of refusal to purchase.

426 (c) The Exchange Contractors agree to allow the use of the Final
427 Environmental Impact Statement/Environmental Impact Report Dated March 1, 2013 for
428 Transfer Participants to comply with necessary environmental documents to transfer and/or bank
429 Transfer Water provided under 8(b).

430 COMPLIANCE WITH LAWS AND REGULATIONS

431 9. Each party to this Agreement shall comply with all applicable Federal and state
432 laws and regulations governing water quality and the transfer of water, and shall obtain any
433 required permits or licenses from the appropriate Federal, state or local agencies.

434
435 FORCE MAJEURE

436 10. If any party hereto shall be delayed or prevented from the performance of any act
437 required hereunder by reasons of acts of God, labor troubles, inability to procure materials,
438 restrictive governmental laws or regulations of the United States or State of California or any
439 political subdivision thereof, or other cause without fault and beyond the control of the party
440 obligated, specifically excepting any asserted financial difficulty including fluctuations of local
441 and national economics, performance of such act shall be excused for the period of the delay and
442 the period of the performance of any such act shall be extended for a period equivalent to the
443 period of such delay but not beyond the end of the term of this Agreement; provided that if the
444 period of delay would otherwise obligate the Exchange Contractors to make water available after
445 the end of any Year, performance by the Exchange Contractors shall be excused and this
446 Agreement as to that Year shall not be enforced as to waters not delivered because of the force
447 majeure event.

448 WATER RIGHTS AND PROTECTION

449 11. (a) No party hereto shall assert that any activity under this Agreement shall
450 affect the validity of any existing water rights held by any other party. This Agreement does not

451 constitute an amendment, modification or alteration of the Exchange Contract nor a special or
452 additional benefit pursuant to Reclamation Law.

453 (b) Without limiting the foregoing, the Exchange Contractors shall be deemed
454 to have put all of the Substitute Water made available to the Water Authority and/or to
455 Reclamation hereunder to beneficial use in accordance with the requirements of the Exchange
456 Contract. Further, in no event shall the purchase of Substitute Water pursuant to this Agreement
457 in any way affect the Exchange Contractors' rights under the Exchange Contract. Nor shall the
458 Exchange Contractors be deemed not to require the amount of Transfer Water purchased under
459 this Agreement for use within its boundaries in the future as a result of the transfer and/or sale of
460 Transfer Water hereunder and each party to this Agreement does hereby affirm that fact.

461 (c) If any Transfer Participant during the term of this Agreement commences
462 or participates as a complaining or moving party in an administrative proceeding or legal
463 proceeding in which that Transfer Participant takes a position or contends directly or indirectly
464 by encouraging or assisting any third party to take a position or contend that (i) use of water
465 retained by the Exchange Contractors or transferred hereunder or available to the Exchange
466 Contractors from groundwater or other sources is not reasonable or beneficial, or (ii) contends
467 that the amounts of water allocated and available to the Exchange Contractors pursuant to the
468 terms of the Exchange Contract, including any amounts transferred under this Agreement or
469 under other agreements, are in excess of the amounts reasonably and beneficially necessary to
470 provide for long-term conjunctive use and reasonable conservation of surface water and
471 groundwater quantities and quality within the Exchange Contractor service area, this Agreement

472 shall be terminated on December 31st of the calendar year in which those acts occur as to all
473 Transfer Participants upon the written election of the Exchange Contractors.

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LIABILITY AND HOLD HARMLESS

476 12. (a) Within thirty (30) days of receipt by any party to this Agreement of any
477 claim for liability arising from actions or omissions within the scope of this Agreement, the party
478 receiving the claim shall notify the other parties of such claim and provide a copy of the claim to
479 the other parties, if it is in written form. Nothing in this Article shall be construed to limit the
480 right of any party to assert such affirmative defenses and file such cross-complaints as may be
481 appropriate in relation to any claim affecting the liability of such party.

482 (b) The United States hereby releases and holds harmless the Exchange
483 Contractors, the Water Authority, Madera ID, and their respective officers, agents, and
484 employees from all claims for damage to persons or property, direct or indirect, resulting from
485 the United States' performance of this Agreement.

486 (c) The Exchange Contractors hereby release and hold harmless the United
487 States, the Water Authority, Madera ID, and their respective officers, agents, and employees
488 from all claims for damage to persons or property, direct or indirect, resulting from the Exchange
489 Contractors' performance of this Agreement.

490 (d) The Water Authority hereby releases and holds harmless the United
491 States, the Exchange Contractors, Madera ID, and their respective officers, agents, and

492 employees from all claims for damage to persons or property, direct or indirect, resulting from
493 the Water Authority's performance of this Agreement.

494 (e) Madera ID hereby releases and holds harmless the United States, the
495 Exchange Contractors, the Water Authority, and their respective officers, agents, and employees
496 from all claims for damage to persons or property, direct or indirect, resulting from Madera ID's
497 performance of this Agreement.

498 WAIVER

499 13. Waiver of any breach of this Agreement by any party hereto shall not constitute a
500 continuing waiver or a waiver of any breach of the same or another provision of this Agreement.

501 ASSIGNMENT - SUCCESSOR AND ASSIGNS OBLIGATED

502 14. This Agreement shall be binding upon and inure to the benefit of the heirs,
503 executors, administrators, assigns, and successors of the parties hereto but no assignment or
504 transfer of this Agreement or any right or interest therein by any party shall be valid until
505 approved in writing by the other parties.

506 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

507 15. (a) The expenditure or advance of any money or the performance of any
508 obligation of the United States under this Agreement shall be contingent upon appropriation or
509 allotment of funds. No liability shall accrue to the United States in case funds are not
510 appropriated or allotted.

511 (b) The availability, expenditure or advance of any appropriated or allotted
512 funds for purposes of this Agreement is also contingent upon, and will require, the affirmative

513 decision of Reclamation's Mid Pacific Regional Director that available funds, or any portion
514 thereof, can be used for this Agreement which is in the sole discretion of the Regional Director.

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OFFICIALS NOT TO BENEFIT

517 16. No member of or delegate to Congress, Resident Commissioner, or official of the
518 Exchange Contractors, the Water Authority or Madera ID shall benefit from this Agreement
519 other than as a water user or landowner in the same manner as other water users or landowners.

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NOTICES

522 17. Any notice, demand, or request authorized or required by this Agreement shall be
523 deemed to have been given, on behalf of the Exchange Contractors and/or Transfer Participants,
524 when mailed, postage prepaid, or delivered to the designated addressee for such party listed
525 below. The designation of the addressee or the address may be changed by notice given in the
526 same manner as provided in this Article for other notices.

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To Exchange Contractors: Mr. Chris White
San Joaquin River Exchange Contractors
Water Authority
P.O. Box 2115
Los Banos, California 93635

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To Water Authority: Mrs. Frances Mizuno
San Luis & Delta-Mendota Water Authority
P. O. Box 2157
Los Banos, California 93635

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To Madera ID: Mr. Thomas Greci
Madera Irrigation District
12152 Road 28 ¼
Madera, California 93637

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To Reclamation:

Regional Director
U.S. Bureau of Reclamation, Mid-Pacific Region
Attention: Water Acquisition, MP-410
RE: 15-WC-20-4673
2800 Cottage Way
Sacramento, California 95825-1898

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day

and year first above written:

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR

By _____
Regional Director, Mid-Pacific Region
Bureau of Reclamation

SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY

By _____
Executive Director, San Joaquin River
Exchange Contractors Water Authority

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By _____
Executive Director, San Luis & Delta-Mendota
Water Authority

MADERA IRRIGATION DISTRICT

By _____

Agreement No.

General Manager, Madera Irrigation District

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EXHIBIT A

AGRICULTURE AND REFUGE PRICE SCHEDULE

\$/AC FT					
SOD AG Allocation	2019	2020	2021	2022	2023
0%	\$ 530.00	\$ 545.90	\$ 562.28	\$ 579.15	\$ 596.52
5%	\$ 530.00	\$ 545.90	\$ 562.28	\$ 579.15	\$ 596.52
10%	\$ 505.00	\$ 520.15	\$ 535.75	\$ 551.83	\$ 568.38
15%	\$ 480.00	\$ 494.40	\$ 509.23	\$ 524.51	\$ 540.24
20%	\$ 451.50	\$ 465.05	\$ 479.00	\$ 493.37	\$ 508.17
25%	\$ 434.00	\$ 447.02	\$ 460.43	\$ 474.24	\$ 488.47
30%	\$ 417.50	\$ 430.03	\$ 442.93	\$ 456.21	\$ 469.90
35%	\$ 400.00	\$ 412.00	\$ 424.36	\$ 437.09	\$ 450.20
40%	\$ 375.00	\$ 386.25	\$ 397.84	\$ 409.77	\$ 422.07
45%	\$ 375.00	\$ 386.25	\$ 397.84	\$ 409.77	\$ 422.07
50%	\$ 320.00	\$ 329.60	\$ 339.49	\$ 349.67	\$ 360.16
55%	\$ 300.00	\$ 309.00	\$ 318.27	\$ 327.82	\$ 337.65
60%	\$ 250.00	\$ 257.50	\$ 265.23	\$ 273.18	\$ 281.38
65%	\$ 210.00	\$ 216.30	\$ 222.79	\$ 229.47	\$ 236.36
70%	\$ 190.00	\$ 195.70	\$ 201.57	\$ 207.62	\$ 213.85
75%	\$ 175.00	\$ 180.25	\$ 185.66	\$ 191.23	\$ 196.96
80%	\$ 160.00	\$ 164.80	\$ 169.74	\$ 174.84	\$ 180.08
85%	\$ 135.00	\$ 139.05	\$ 143.22	\$ 147.52	\$ 151.94
90%	\$ 110.00	\$ 113.30	\$ 116.70	\$ 120.20	\$ 123.81
95%	\$ 95.00	\$ 97.85	\$ 100.79	\$ 103.81	\$ 106.92
100%	\$ 80.00	\$ 82.40	\$ 84.87	\$ 87.42	\$ 90.04

M & I PRICE SCHEDULE

\$/AC FT					
SOD AG Allocation	2019	2020	2021	2022	2023
0%	\$ 665.00	\$ 684.95	\$ 705.50	\$ 726.66	\$ 748.46
5%	\$ 665.00	\$ 684.95	\$ 705.50	\$ 726.66	\$ 748.46
10%	\$ 640.00	\$ 659.20	\$ 678.98	\$ 699.35	\$ 720.33
15%	\$ 615.00	\$ 633.45	\$ 652.45	\$ 672.03	\$ 692.19
20%	\$ 590.00	\$ 607.70	\$ 625.93	\$ 644.71	\$ 664.05
25%	\$ 550.00	\$ 566.50	\$ 583.50	\$ 601.00	\$ 619.03
30%	\$ 525.00	\$ 540.75	\$ 556.97	\$ 573.68	\$ 590.89
35%	\$ 500.00	\$ 515.00	\$ 530.45	\$ 546.36	\$ 562.75
40%	\$ 475.00	\$ 486.25	\$ 497.84	\$ 509.77	\$ 522.07
45%	\$ 475.00	\$ 486.25	\$ 497.84	\$ 509.77	\$ 522.07
50%	\$ 420.00	\$ 429.60	\$ 439.49	\$ 449.67	\$ 460.16
55%	\$ 400.00	\$ 409.00	\$ 418.27	\$ 427.82	\$ 437.65
60%	\$ 350.00	\$ 357.50	\$ 365.23	\$ 373.18	\$ 381.38
65%	\$ 310.00	\$ 316.30	\$ 322.79	\$ 329.47	\$ 336.36
70%	\$ 290.00	\$ 295.70	\$ 301.57	\$ 307.62	\$ 313.85
75%	\$ 275.00	\$ 280.25	\$ 285.66	\$ 291.23	\$ 296.96
80%	\$ 260.00	\$ 264.80	\$ 269.74	\$ 274.84	\$ 280.08
85%	\$ 235.00	\$ 242.05	\$ 249.31	\$ 256.79	\$ 264.49
90%	\$ 130.00	\$ 133.90	\$ 137.92	\$ 142.05	\$ 146.32
95%	\$ 115.00	\$ 118.45	\$ 122.00	\$ 125.66	\$ 129.43
100%	\$ 100.00	\$ 103.00	\$ 106.09	\$ 109.27	\$ 112.55

3% per year increase

EXHIBIT B

SOD Ag Allocation (%)	(BOR) Proposed (AF)	SLDMWA Proposed (AF)	MID (AF)	Total (AF)
0	9,220	68,780	2,000	80,000
5	9,220	68,780	2,000	80,000
10	9,677	68,323	2,000	80,000
15	10,181	67,819	2,000	80,000
20	10,823	67,177	2,000	80,000
25	11,260	66,740	2,000	80,000
30	11,705	66,545	1,750	80,000
35	12,217	66,033	1,750	80,000
40	13,031	65,219	1,750	80,000
45	13,031	65,469	1,500	80,000
50	15,271	63,479	1,250	80,000
55	16,289	62,461	1,250	80,000
60	19,547	59,453	1,000	80,000
65	23,270	55,980	750	80,000
70	25,719	53,531	750	80,000
75	27,924	51,326	750	80,000
80	30,542	48,708	750	80,000
85	36,198	43,052	750	80,000
90	44,423	34,827	750	80,000
95	51,440	27,810	750	80,000
100	61,084	18,166	750	80,000

Based on \$5.5M under 2023 pricing